

Amendment No. 3 to HB0644

**Sargent
Signature of Sponsor**

AMEND Senate Bill No. 603*

House Bill No. 644

by inserting the following language as new SECTIONS 28 and 29 and renumbering the subsequent sections accordingly:

SECTION 28. Tennessee Code Annotated, Section 67-4-2006(b)(2)(N), is amended by deleting the subdivision and by substituting instead the following:

(N) Any intangible expense paid, accrued, or incurred in connection with a transaction with one (1) or more affiliates, if the following criteria are met:

(i) The intangible expense has been disclosed in accordance with subdivision (d)(1); and

(ii) If the affiliate to whom the expense has been paid, accrued, or incurred is required to be registered and pay the tax imposed by this part, the affiliate is in fact registered and paying the tax;

SECTION 29. Tennessee Code Annotated, Section 67-4-2006(d), is amended by deleting the subsection and by substituting instead the following:

(d)

(1) Any taxpayer that pays, accrues, or incurs intangible expenses as a result of a transaction with one (1) or more affiliates shall disclose the intangible expenses on the form as prescribed by the commissioner.

(2) Any taxpayer that pays, accrues, or incurs intangible expenses as a result of a transaction with one (1) or more affiliates and either fails to disclose the intangible expenses or fails to add the expenses to net earnings or net losses

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in accordance with subdivision (b)(1)(K) shall be subject to a negligence penalty
as set forth in § 67-1-804(b)(2).

AND FURTHER AMEND by deleting the language “Sections 9, 10, 11, 12, 17, 18, 19, and 20”
in the effective date section and substituting instead “Sections 9, 10, 11, 12, 17, 18, 19, 20, 28,
and 29”.